GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Extension of certain incentives under Industrial Development Policy 2015-20 to M/s. MPL Mineral Processing Private Limited, to their proposed integrated steel plant with project components viz DRI Kilns, Induction Furnace, Rolling Mill & Power plant with an investment of Rs. 1000 Crore in two phases which creates direct employment to 2000 people at Mudumalagurthy Village, Kodamur Mandal, Kurnool District - Orders- Issued.

INDUSTRIES & COMMERCE (P&I) DEPARTMENT

G.O.Ms.No.145 Dated:31-10-2016

Read the following:-

(1) From the Director, M/s. MPL Mineral Processing Private Limited, Dt:04.07.2016.
(2) Empowered Committee of Secretaries Meeting held on 26.06.2016.
(3) State Investment Promotion Board Meeting held on 29.07.2016.

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O R D E R

In the reference 1st read above, M/s. MPL Mineral Processing Private Limited have informed that they proposes to establish an integrated steel plant with project components viz DRI Kilns, Induction Furnace, Rolling Mill & Power plant. Investment in the project in two phases is to be INR 1000 Crore with direct employment of 2,000 people. The Company requested for the following:

(i) Allotment of Coal Linkage
(ii) Allotment of iron ore mines
(iii) State Irrigation Department to construct check dams on 3 storm water drains coming from Handri River, PantuluVagu and ChinnaVagu.
(iv) 100% reimbursement of stamp duty and transfer duty for purchase of land for industrial use.
(v) All other incentives as per the State Industrial Policy 2015-20
(vi) CGST/Central Excise/IGST – 100% for 20 years.
(vii) Income Tax – 100% exemption for 5 years
(viii) 50% concession of Central Excise Duty for a period of 7 years.
(ix) Conversion charges for land to be reimbursed to the extent of 100%
(x) VAT/CST/SGST exemption for output product and project materials under customized package compatible with GST (as and when GST is implemented) or upto realization of 200% of fixed capital investments for a period of 20 years starting from the date of commencement of commercial production.
(xi) Widening and strengthening of existing 12 ft road to 60 ft heavy duty road from Kurnool, Bellary road to Project site for a distance of approximate 3 km – Rs 3 Crore. The cost was estimated internally by MPL.
(xii) From Tungabhadra by pipeline for a distance of approximate 40 km – Rs 11.85 Crore was the cost was estimated by SNA Consulting. However the company has requested to consider Rs 20 Crore to account for cost escalation as the estimates were prepared years back.The water requirement is 1.70 Million KL.
(xiii) 132 KV Dedicated Power line from existing 220/132 KV Substation at Kurnool – Rs 10.45 Crore. The cost estimated by AP Electricity Board in 2013.However, the company has requested to consider Rs 15 Crore to account for cost escalation as the estimates were prepared in 2013.
(xiv) Request for allotment of government land within the proposed site at sub-registrar office market value.
(xv) Power Reimbursement – Rs 2 per unit & 50% concession on CMD.
(xvi) Investment Subsidy 25% subsidy of capex without upper limit.

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(xvii) Interest Subsidy on the term loan taken on the fixed capital investment in excess of 3% per annum subject to a maximum reimbursement of 9% per annum for a period of 5 years from the date of CoD.

(xviii) Incentive for Swachh Andhra as applicable without upper ceiling.

2. In the reference 2nd read above, the Empowered Committee of Secretaries has discussed the proposal of M/s. MPL Mineral Processing Private Limited and has recommended the following incentives/benefits for the unit to the SIPB:

(i) Reimbursement of 100 % NET VAT& CST for a period of (7) years from the date of commencement of the commercial production or upto realization of 100% fixed capital investment, whichever is earlier.

(ii) Reimbursement of one time land conversion cost from Agriculture to Industrial use.

(iii) 75% of external infrastructure cost as per the estimates indicated below or the actual, whichever less:

(a) Widening and strengthening of existing 12 ft road to 60 ft road from Kurnool, Bellary road to Project site (3 km, Rs. 3 crore) limited to Rs. 2.25 crore.
(b) Water pipeline from Tungabhadra (40 km, Rs. 20 cr.) limited to Rs. 15 crore 132 KV Dedicated
(c) Power line from existing 220/132 KV Substation at Kurnool (15 KM, Rs. 15 crore) – limited to Rs 11.25 crore.

(iv) 50% subsidy for sustainable green measures as specified in the IDP 2015-20 Policy with ceiling of INR 50 Cr.

(v) To facilitate the company for coal and low grade iron ore linkages.

(vi) All other incentives as per IDP 2015-20 Policy.

3. In the reference 3rd read above, the State Investment Promotion Board (SIPB) has discussed the proposal of M/S MPL Mineral Processing Private Limited in detail and decided to extend the following incentives:

(i) Reimbursement of 100 % net VAT&CST for a period of (7) years from the date of commencement of commercial production or upto realization of 100% fixed capital investment, whichever is earlier.

(ii) Reimbursement of one time land conversion cost from Agriculture to Industrial use

(iii) 75% of external infrastructure cost as per the estimates indicated below or the actual, whichever is less.

(a) Widening and strengthening of existing 12 ft. road to 60 ft. road from Kurnool, Bellary road to Project site (3 km, Rs. 3 crore) limited to Rs. 2.25 Crore.
(b) Water pipeline from Tungabhadra (40 km, Rs. 20 crore) limited to Rs. 15 Crore
(c) 132 KV Dedicated Power line from existing 220/132 KV Substation at Kurnool (15 KM, Rs. 15 cr.) – limited to Rs11.25 Crore.

(iv) 50% subsidy for sustainable green measures as specified in the IDP 2015-20 Policy with ceiling of INR 50 Cr.

(v) To facilitate the company for coal and low grade iron ore linkages.

(vi) All other incentives as per IDP 2015-20 Policy.

4. Government after careful examination of the recommendations of the State Investment Promotion Board, hereby extend the following incentives to M/s. MPL Mineral Processing Private Limited to their proposed integrated steel

(Contd.)

plant with project components viz DRI Kilns, Induction Furnace, Rolling Mill & Power plant with an investment of Rs. 1000 Crore in two phases which creates direct employment to 2000 people at Mudumalagurthy Village, Kodamur Mandal, Kurnool District :

(i) Reimbursement of 100 % NET VAT&CST for a period of (7) years from the date of commencement of commercial production or upto realization of 100% fixed capital investment, whichever is earlier.

(ii) Reimbursement of one time land conversion cost from Agriculture to Industrial use.

(iii) 75% of external infrastructure cost as per the estimates indicated below or the actual, whichever is less.

(a) Widening and strengthening of existing 12 ft road to 60 ft road from Kurnool, Bellary road to Project site (3 km, Rs. 3 crore) limited to Rs. 2.25 crore.
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(c) 132 KV Dedicated Power line from existing 220/132 KV Substation at Kurnool (15 KM, Rs. 15 crore) – limited to Rs11.25 Crore.

(iv) 50% subsidy for sustainable green measures as specified in the IDP 2015-20 Policy with ceiling of INR 50 Cr.

(v) To facilitate the company for coal and low grade iron ore linkages.

(vi) All other incentives as per IDP 2015-20 Policy.

5. The Director of Industries, Andhra Pradesh, Hyderabad shall take necessary action, accordingly and intimate the status of the progress of work done by the unit from time to time to the Government.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

SOLOMON AROKIARAJ
SECRETARY TO GOVERNMENT & CIP

To
The Director of Industries, Andhra Pradesh, Hyderabad.
M/S MPL Mineral Processing Private Limited through the Director of Industries, Andhra Pradesh, Hyderabad.
Copy to:
The Finance (FMU-Rev.IC)Department.
The Revenue (CT) Department.
The Revenue (Registration) Department.
The TR & B Department.
The Water Resources Department.
The Energy, Infrastructure and Investment Department.
The Law (H) Department.
The Accountant General, Andhra Pradesh, Hyderabad.
The Commissioner of Commercial Taxes, Vijayawada
The Vice Chairman & Managing Director, Andhra Pradesh Industrial.
Infrastructure Corporation, Vijayawada.
The Collector & District Magistrate, Kurnool District.
The General Manager, District Industries, Centre, Kurnool District.
The Zonal Manager, Andhra Pradesh Industrial Infrastructure Corporation., Kurnool District.
P.S. to Secretary to Chief Minister.
P.S. to Chief Secretary to Government.
P.S. to Secretary to Government & CIP, Industries & Commerce Department.
SC/SF.

//FORWARDED :: BY ORDER//

SECTION OFFICER